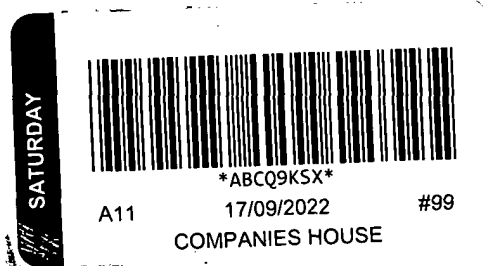


Optiver FX Limited

Report and Financial Statements

For the accounting period from 01 January
2021 to 31 December 2021

Registered number: 11694417



Company Information

Directors

E Loman
J Rothstein

Registered Office

Heron Tower
Level 17-19
110 Bishopsgate
London
EC2N 4AY

Independent auditor

KPMG LLP
Financial Services
15 Canada Square
London
E14 5GL

Contents

Strategic Report	1-2
Directors' report	3-4
Independent auditors' report to the members of Optiver FX Limited	5-8
Statement of profit and loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of changes in cash flows	12
Notes to the financial statements	13-26

Strategic Report

for the year ended 31 December 2021

The directors present the strategic report for Optiver FX Limited ("the Company") for the year ended 31 December 2021.

Principal Activity

The principal activity of the Company during the year was the continued growth and development of a proprietary trading business in the UK dealing in listed and over-the-counter ("OTC") foreign exchange products. The Company trades on a proprietary basis for its own account and does not manage or control assets belonging to third parties or customers.

The Company is authorized by and registered with the Financial Conduct Authority ("FCA"). The Company is a wholly owned subsidiary of Optiver Holding B.V.

Business Review

The Company had an increase in share capital during the year of \$1,000,000 and a net increase in share premium of \$13,000,000, issued to the Parent, for the purposes of supporting continued and future growth. The Company had net trading income for the financial year, \$36,283,992 (prior year \$42,996,079), and a net loss after taxation, of \$(5,218,362) (prior year \$(2,425,068)). The Company's balance sheet was generally maintained year-over-year with total assets of \$717,730,144 from \$796,621,571 in prior year and total liabilities of \$595,775,292 from \$683,827,902 in prior year. While the Company continued to successfully expand the business and its trading book, the market opportunities present in prior years due to global events decreased, resulting in lower net trading income. The net loss after taxation for the financial year was driven by intercompany expense; however, the continued development of the business, results for the year, and financial position at the year-end were considered satisfactory by the Company's directors.

Key Performance Indicators

The directors of the Company use key performance indicators to aid in their management and overall assessment of the financial performance and strength of the Company. These key performance indicators include an assessment of net profit or loss, trading income, direct trading expenses, intercompany expense, as well as a review of administrative expenses. Net profit or loss, trading income, direct trading expenses, and administrative expenses are presented on the statement of profit or loss and other comprehensive income.

Principal Risks and Uncertainties

The principal risk and uncertainties facing the Company are set out in Note 15 of the financial statements.

Cybersecurity threats are ever-present in the technology space. As the cyber threat landscape evolves, the Company is fully focused on its responsibilities and accountability with regards to protecting data and safeguarding against hacking and unauthorized access to our systems.

The directors continuously monitor global events and conflicts that could result in heightened risk or uncertainties for the Company. The directors do not believe current global situations materially affect the principal risks and uncertainties of the Company.

The Company considers Optiver Holding BV ESG global strategy during both the normal course of business and pursuit of new opportunities.

The directors expect continued positive developments of the business going forward.

Section 172

Under Section 172 of the Companies Act 2006, the Directors of the Company must act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. The Directors take into account: the likely consequence of a decision in the long term; interests of the Company's employees; business relationships with counterparties and others; impact of operations on the community and the environment; the maintenance of a reputation for high standards of business conduct; and need to act fairly with members and affiliates. During the year the Directors gave careful consideration to these factors in carrying out their duties. The Directors are committed to effective engagement with the Company's stakeholders and recognize that strong relationships with stakeholders will promote the successful execution of the Company's strategy.

Capital Management

The Company aims to maintain sufficient financial capital to carry out its operations, help manage adverse economic conditions and ensure that it has sufficient resources available for development of the Company.

On behalf of the Board:



J. Rothstein, Director

26 April 2022

Directors' Report

for the year ended 31 December 2021

The directors present the annual report and the audited financial statements of Optiver FX Limited (the "Company") for the year ended December 31, 2021.

Company registration

The Company is registered in England as company number 11694417.

Directors

The directors who served the Company during the year are as follow:

E Loman
J Rothstein
K Blom (resigned 12 March 2021)

Dividends

The Company did not pay, declare, or propose a dividend during the year or the prior year.

Pillar 3 Disclosures

The disclosures to comply with Pillar 3 of the FCA Capital Requirements Directive will be made available upon written request to the Company's registered office.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Strategic Report

The Company has chosen in accordance with s.414C (11) Companies Act 2006 to set out in the Company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of discussion of future developments.

Going Concern

The Company's management considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. After performing the assessment, including consideration of relevant severe but plausible stress scenarios, the Directors have not identified any material uncertainties that could cast significant doubt over the ability of the Company to continue as a going concern for at least a year from the date of approval of the financial statements. On this basis, the financial statements have been prepared on a going concern basis.

Auditor

KPMG LLP was reappointed as auditor to the company during the year and have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the annual general meeting.

Statement of disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board:



J. Rothstein, Director

26 April 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIVER FX LIMITED

Opinion

We have audited the financial statements of Optiver FX Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of profit and loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows, and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of relevant documentation as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited complexity in the calculation and recognition of revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted by infrequent users at unusual times.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity, recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted

by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rahim Butt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
E15 5GL
26 April 2022

Optiver FX Limited**Statement of profit or loss and other comprehensive income**

for the year ended 31 December 2021 and for the year ended 31 December 2020

	Notes	2021 \$	2020 \$
Income			
Net trading income		36,283,992	42,996,079
Interest income		41,459	278,762
Total income		<u>36,325,451</u>	<u>43,274,841</u>
Expenses			
Net direct trading expenses		(9,325,038)	(9,640,165)
Interest expense		(222,395)	(83,237)
Intercompany expense	14	(31,280,342)	(35,383,495)
Administrative expenses		<u>(1,554,785)</u>	<u>(1,129,649)</u>
Total expenses		<u>(42,382,560)</u>	<u>(46,236,546)</u>
(Loss) before tax	4	(6,057,109)	(2,961,705)
Income tax (expense) / income	5	838,747	536,636
(Loss) for the financial period		<u>(5,218,362)</u>	<u>(2,425,069)</u>
Total comprehensive (loss) for the financial period		<u>(5,218,362)</u>	<u>(2,425,069)</u>

All the results of the Company are derived from continuing operations

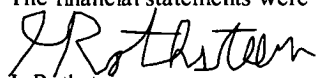
The accompanying notes in pages 13-26 form an integral part of these financial statements.

Optiver FX Limited**Statement of financial position**

at 31 December 2021

	Notes	2021 \$	2020 \$
Assets			
Cash		17,260,977	17,344,621
Non-trading assets	6	42,983,328	-
Financial assets at fair value through profit and loss	7	591,613,277	656,431,943
Trading receivables	8	62,138,002	120,271,310
Other receivables	10	2,333,091	2,010,975
Group relief receivables		1,401,469	562,722
Total assets		<u>717,730,144</u>	<u>796,621,571</u>
Liabilities			
Financial liabilities at fair value through profit or loss	7	555,896,559	634,393,241
Trading payables	8	37,624,502	47,825,467
Other payables	11	2,254,231	1,609,194
Total liabilities		<u>595,775,292</u>	<u>683,827,902</u>
Equity			
Share capital	12	13,000,000	12,000,000
Share premium	12	116,000,000	103,000,000
Share based payments	13	451,376	71,831
Retained earnings		(7,496,524)	(2,278,162)
Total equity		<u>121,954,852</u>	<u>112,793,669</u>
Total liabilities and equity		<u>717,730,144</u>	<u>796,621,571</u>

The financial statements were approved by the Board of Directors and signed on its behalf by:



J. Rothstem

Director

26 April 2022

The accompanying notes in pages 13-26 form an integral part of these financial statements.

Optiver FX Limited

Statement of Changes in Equity

for the year ended 31 December 2021 and for the year ended 31 December 2020

	Notes	Share capital \$	Share premium \$	Capital Reserves \$	Retained earnings \$	Total \$
Balance at 01 January 2021		12,000,000	103,000,000	71,831	(2,278,162)	112,793,669
Profit for the financial period		-	-	-	(5,218,362)	(5,218,362)
Issue of share capital		1,000,000	13,000,000	-	-	14,000,000
Distribution of share capital		-	-	-	-	-
Contribution for shared based compensation		-	-	379,545	-	379,545
Balance at 31 December 2021		<u>\$ 13,000,000</u>	<u>\$ 116,000,000</u>	<u>\$ 451,376</u>	<u>\$ (7,496,524)</u>	<u>\$ 121,954,852</u>
<i>for the year ended 31 December 2020</i>						
Balance at 01 January 2020		6,000,000	74,000,000	-	146,907	80,146,907
Profit for the financial period		-	-	-	(2,425,069)	(2,425,069)
Issue of share capital		6,000,000	54,000,000	-	-	60,000,000
Distribution of share capital		-	(25,000,000)	-	-	(25,000,000)
Contribution for shared based compensation		-	-	71,831	-	71,831
Balance at 31 December 2020		<u>12,000,000</u>	<u>103,000,000</u>	<u>71,831</u>	<u>(2,278,162)</u>	<u>112,793,669</u>

The accompanying notes in pages 13-26 form an integral part of these financial statements.

Optiver FX Limited**Statement of cash flows**

for the year ended 31 December 2021 and for the year ended 31 December 2020

	Notes	2021 \$	2020 \$
Operating activities			
Profit for the financial period		(5,218,362)	(2,425,069)
Non-cash adjustments to reconcile profit for the financial year to net cash flows:			
Interest income		(41,459)	(278,762)
Interest expense		222,395	83,237
Income tax (benefit) / expense		(838,747)	(536,636)
Share based compensation expense		379,545	71,831
Working capital adjustments:			
Net change in non-trading assets		(42,983,328)	36,909,551
Net change in financial assets at fair value through profit or loss		64,818,666	(518,004,691)
Net change in trading receivables		58,133,308	(80,300,739)
Net change in other receivables		(322,116)	(1,856,118)
Net change in financial liabilities at fair value through profit or loss		(78,496,682)	493,447,769
Net change in trading payables		(10,200,965)	43,952,129
Net change in other payables		645,037	512,403
Net cash used in operating activities		(13,902,708)	(28,425,095)
Interest received		41,459	278,762
Interest paid		(222,395)	(83,237)
Taxes Paid		-	(60,545)
Net cash flow from operating activities		<u>(14,083,644)</u>	<u>(28,290,115)</u>
Financing activities			
Proceeds from issue of share capital		14,000,000	60,000,000
Distribution of share premium		-	(25,000,000)
Net cash from financing activities		<u>14,000,000</u>	<u>35,000,000</u>
Net increase in cash and cash equivalents		(83,644)	6,709,885
Cash and cash equivalents at start of the period		17,344,621	10,634,736
Cash and cash equivalents at end of period		<u>17,260,977</u>	<u>17,344,621</u>

The accompanying notes in pages 13-26 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2021

1. Corporate information

Optiver FX Limited ("the Company") is a private company limited by shares and was incorporated in the United Kingdom on 23rd November 2018. The financial statements cover the year ended 31 December 2021 and are compared to the year ended 31 December 2020. The Company's parent and ultimate holding company is Optiver Holding B.V. ("the Parent"), a company incorporated in the Netherlands. The address of its registered office is Heron Tower, Level 17-19 110 Bishopsgate, London, EC2N 4AY. The principal activities of the Company are described in the Strategic report.

2. Statement of compliance

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

3. Significant accounting policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the recognition of certain financial assets and liabilities measured at fair value. The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The significant accounting policies of the Company are set out below.

Going concern

Notwithstanding a loss for the year ended 31 December 2021 of \$5,218,362 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company's management considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. After performing the assessment, including consideration of relevant severe but plausible stress scenarios, the Directors have not identified any material uncertainties that could cast significant doubt over the ability of the Company to continue as a going concern for at least a year from the date of approval of the financial statements. On this basis, the financial statements have been prepared on a going concern basis.

Foreign Currencies

The financial statements are presented in US dollars (rounded to the nearest dollar), the Company's functional and presentation currency.

Monetary assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate ruling on the date of transaction. Exchange differences are recognized in profit and loss.

Net trading income

Net trading income represents the profit and loss derived from proprietary trading activities. Gains and losses on trading activity are measured as the difference between the acquisition costs and the fair value and are recorded on a trade-date basis. Net trading income is net of trading losses, and is comprised of both realized and unrealized gains and losses.

Interest income

Interest income represents net interest earned on cash deposits with clearing firms, banks, and non-trading assets. Interest income is accrued in accordance with contractual rates and recognized according to the effective interest method, including amortization of the difference between cost and the redemption value of the term to maturity of the non-trading assets.

Net direct trading expenses

Net direct trading expenses are comprised of brokerage, exchange, and clearing fees associated with trading activity. These fees are recognized as incurred.

Interest expense

Interest expense represents net interest charged by clearing firms for financing and capital usage. Interest expense is recorded on an accrual basis.

Income tax expense/income

Income tax expense represents the current corporation tax payable in respect of the taxable profit for the year. The Company was lossmaking during the reporting period and has applied group relief to offset current and partially offset previous period losses against profits in other entities belonging to the same group.

Cash

Cash includes deposits held at call with banks. The fair value of the cash is approximated by the carrying amount.

Financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets are classified on the basis of the business model adopted for managing the assets and on their contractual cash flow characteristics. Financial assets are grouped into one of the following measurement categories: amortized cost, Fair Value through Other Comprehensive Income (FVOCI), or 'fair value through profit or loss' ("FVTPL"). Financial liabilities are classified as either financial liabilities measured at FVTPL or at amortized cost.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows (hold to collect) and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The principal amount reflects the fair value at initial recognition less any subsequent changes due to repayment and interest is the consideration for the time value of money and the credit risk associated with the principal amount outstanding. The Company's portfolio of financial assets that are held to collect have contractual cash flows that are consistent with the SPPI test.

All financial assets or liabilities not classified as measured at amortized cost are measured at FVTPL including financial assets and liabilities held within other business models, such as financial assets and liabilities managed at fair value or held for trading and financial assets and liabilities with contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. The Company does not hold assets or liabilities measured at FVOCI.

The classification of financial assets and liabilities depends on the nature and purpose of the instruments and is determined at the time of initial recognition. All purchases or sales of financial assets and liabilities are recognized and derecognized on a trade date basis. Financial assets and financial liabilities are initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when its contractual obligations no longer exist, are cancelled, or expire.

Non-trading assets

Non-trading assets represent highly liquid financial assets held with the objective to collect the contractual cash flows up to the maturity of the instruments. The contractual cash flows are fixed payments of principal and interest. Interest income and expense from non-trading assets are recognized in the statement of profit and loss and other comprehensive income as interest income. Purchases of non-trading assets are recognized at fair value on the transaction date and subsequently measured at amortized cost using the effective interest method.

Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit or loss are financial instruments held for trading. Financial assets and liabilities are classified in this category if acquired principally for the purpose of buying or selling in the near term. Derivatives are also categorized as held for trading unless they are designated and effective as hedges.

Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value on trade date, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the financial assets or liabilities are presented in the statement of profit and loss and other comprehensive income within net trading income.

Trading receivables and payables

Trading receivables and payables represent receivables for derivatives sold and payables for derivatives purchased that have been traded but not yet settled at the end of the year. Also included are cash balances held at, or owed to, the clearing broker.

Trading receivables and payables have a maturity of less than one year. The carrying amounts of the trading receivables and payables is not materially different from their fair value.

Other receivables and payables

Other receivables are the rights to receive goods or services as consideration in the normal course of business. Other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts receivable and payable are classified as current if payment is expected or due within one year or less. Other receivables and payables are recognized initially at fair value and subsequently measured at amortized cost. The carrying amounts of the other receivables and payables are not materially different from their fair value.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company currently has an enforceable legal right to set-off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. A master netting agreement or similar agreements give the right to additional offset in the event of default. Such agreements reduce the exposure further in the event of default, but do not qualify for offsetting in accordance with IFRS. See note 9 for additional details.

Impairment

IFRS 9 introduces the “expected credit loss” (“ECL”) model. The impairment model applies to financial assets measured at amortized cost. The Company recognizes an allowance for ECLs for all assets in the scope of IFRS 9.

The impairment charge for expected credit losses depends on whether the credit risk has increased significantly since initial recognition and follows a three stages model:

- Stage 1– If the credit risk has not increased significantly, the impairment charge equals the expected credit losses resulting from default events that are possible within the next twelve months.
- Stage 2– If the credit risk has increased significantly, the receivable is transferred to stage 2 and an impairment charge equal to the lifetime expected credit losses is recognized.
- Stage 3– If the financial asset is in default or otherwise credit impaired, it is transferred to stage 3, for which the impairment charge continues to equal the lifetime expected credit losses but with interest income being recognized on the net carrying amount.

The expected credit loss is calculated for all individual contracts as a function of the probability of default, the exposure at default and the loss given default and incorporates forward looking elements. For contracts in stages 2 and 3, the lifetime expected credit losses cover the expected remaining lifetime of a contract. The Company currently has no contracts in stages 2 or 3.

Expected credit loss impairment charges for trading receivables are booked in an allowance account and balances are presented net of impairment in the balance sheet. Impairment losses are presented as part of other expenses in the statement profit and loss and other comprehensive income. The impairment on the trading receivables is immaterial driven by the low credit risk of counterparties and short maturity of the receivables.

Share capital

Ordinary shares are classified as equity. Any incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

Share premium

Share premium is the amount received by the Company for shares allotted in the year over their nominal value.

Share-based payments

As from 2018 a share plan has been issued by Optiver Holding to certain employees of which the Company is the material employer. All plans qualify as share-based payments under IFRS 2 and are classified as equity settled share plans.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. All assumptions, expectations and forecasts used as a basis for certain estimates within these financial statements represent good-faith assessments of our future performance for which management believes there is a reasonable basis. They involve risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ from those forecasted. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized prospectively.

Information about assumptions, estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 7.

Enacted IFRS not yet applied

The following enacted IFRSs have not been applied in these financial statements. The Company maintains awareness of these regulations for current and future periods.

Interest Rate Benchmark – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

4. Profit before tax

Profit before tax is stated after charging:

	2021	2020
	\$	\$
Included in administrative expenses:		
Auditor's remuneration		
- Audit services	95,227	85,054
- Audit related assurance services	13,488	13,943
Foreign exchange differences	72,392	269,724

5. Income tax expense

Current tax (expense)/income:

	2021	2020
	\$	\$
Current tax (expense)/income		
Current year (expense)/income	838,747	562,722
Other tax (expense)/income	-	(26,086)
Current tax (expense)/income	838,747	536,636
Deferred tax (expense)/income		
Origination and reversal or temporary differences	312,104	-
Valuation allowance	(312,104)	-
Deferred tax (expense)/income	-	-
Total tax (expense)/income In income statement	838,747	536,636

For the accounting period ended 31 December 2021 and accounting period ended 31 December 2020, the standard rate of corporation tax in the UK was 19%.

	2021	2020
	\$	\$
Profit/(loss) for the year	(5,218,362)	(2,425,069)
Current year income/(expense)	838,747	562,722
Other tax (expense)/income	-	(26,086)
Profit/(loss) excluding taxation	(6,057,109)	(2,961,705)
Tax using the UK corporation tax rate of 19%	1,150,851	562,722
Valuation allowance	(312,104)	-
Other tax (expense)/income	-	(26,086)
Total tax (expense)/income	838,747	536,636
Effective Tax Rate	13.85%	19.00%

Movement in deferred tax during the year:

	2021	2020
	\$	\$
Deferred tax assets		
Beginning Balance as of 1.1.2021	-	-
Call Options	85,762	-
Loss Carryforward	226,342	-
Valuation Allowance	(312,104)	-
Ending Balance as of 12.31.2021	-	-
Deferred tax liabilities		
Beginning Balance as of 1.1.2021	-	-
Additions	-	-
Releases	-	-
Ending Balance as of 12.31.2021	-	-

6. Non-Trading Assets

	31 December 2021	31 December 2020
	\$	\$
US Treasury bonds	42,983,328	-
Non-trading assets	42,983,328	-

The non-trading assets are high quality short term US government bonds that are readily convertible to known amounts of cash and are used by the Company in the management of its short-term commitments. Due to the nature of the positions, the amortized cost value does not materially differ from the fair value. The non-trading assets have a maturity less than one year. At December 31, 2021, \$11,996,680 of the US Treasuries were held in an encumbered account to meet clearing firm margin requirements.

7. Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or inputs or derived from such prices or inputs. Where observable prices or inputs are not available, other valuation techniques are applied. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability at the measurement date.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted market prices (unadjusted) in an active market for an identical instrument.
- Level 2 valuation techniques are based on observable inputs, either directly (i.e., as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.; and
- Level 3 valuation techniques use unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and where the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on published prices in these markets. For all other financial instruments the Company determines fair values using other valuation techniques. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data.

Assumptions and inputs used in valuation techniques include foreign currency exchange rates and price volatilities. The objective of these valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

The Company uses widely recognized valuation models to determine the fair value of common and more simple financial instruments that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for exchange traded derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with the determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is subject to changes based on specific events and general conditions in the financial markets.

The positions the Company carries are exchange traded futures and options on futures and forward and option contracts that are traded over the counter. Exchange traded options on futures are valued based on quoted prices from the respective exchange they are traded at and are categorized in level 1 of the fair value hierarchy or if traded in a market considered less active, categorized in level 2 of the fair value hierarchy. The fair value of the over the counter forward and option contracts are based on the observable inputs of the underlying instruments and are categorized as level 2 of the fair value hierarchy.

The table below presents by level within the fair value hierarchy, financial assets and liabilities measured at fair value through profit or loss at 31 December 2021:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed options on futures	4,181,964	66,091,486	-	70,273,450
Currency options	-	445,224,125	-	445,224,125
Currency forwards	-	76,115,702	-	76,115,702
Total Financial assets at fair value through profit or loss	<u>4,181,964</u>	<u>587,431,313</u>	<u>-</u>	<u>591,613,277</u>

Liabilities

Listed options on futures	7,157,369	65,561,273	-	72,718,642
Currency options	-	400,402,717	-	400,402,717
Currency forwards	-	82,775,200	-	82,775,200
Total Financial liabilities at fair value through profit or loss	<u>7,157,369</u>	<u>548,739,190</u>	<u>-</u>	<u>555,896,559</u>

The table below presents by level within the fair value hierarchy, financial assets and liabilities measured at fair value through profit or loss at 31 December 2020:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Listed options on futures	5,863,036	102,200,856	-	108,063,892
Currency options	-	446,909,142	-	446,909,142
Currency forwards	-	101,458,909	-	101,458,909
Total Financial assets at fair value through profit or loss	<u>5,863,036</u>	<u>650,568,907</u>	<u>-</u>	<u>656,431,943</u>

Liabilities

Listed options on futures	7,160,670	109,640,022	-	116,800,692
Currency options	-	432,637,065	-	432,637,065
Currency forwards	-	84,955,484	-	84,955,484
Total Financial liabilities at fair value through profit or loss	<u>7,160,670</u>	<u>627,232,571</u>	<u>-</u>	<u>634,393,241</u>

There were no transfers between levels and the Company did not have any assets and liabilities classified at level 3 of the fair value hierarchy during the accounting period ended 31 December 2021 and the accounting period ended 31 December 2020.

8. Trading receivables and payables

Amounts receivable from and payable to clearing brokers at 31 December 2021 consist of the following:

	31 December 2021	
	<i>Receivable</i>	<i>Payable</i>
Clearing broker	56,865,620	2,066,620
Unsettled transactions	380,697	35,557,882
Exchange-traded futures contracts - open trade equity	4,891,685	-
	<u>62,138,002</u>	<u>37,624,502</u>

Amounts receivable from and payable to clearing brokers at 31 December 2020 consist of the following:

	31 December 2020	
	<i>Receivable</i>	<i>Payable</i>
Clearing broker	114,950,071	10,322,648
Unsettled transactions	70,821	37,502,819
Exchange-traded futures contracts - open trade equity	5,250,418	-
	<u>120,271,310</u>	<u>47,825,467</u>

The balances held at clearing are used as guarantees for amounts owed to clearing.

9. Offsetting financial assets and liabilities

	31 December 2021				
	Gross Amounts Recognized	Gross Amounts Offset in the Statement of financial position	Net Amount presented in the Statement of financial position	Further offsetting, master netting agreements	Net Amount
	\$	\$	\$	\$	\$
<i>Assets</i>					
Financial assets at fair value through profit or loss	591,613,277	-	591,613,277	591,613,277	-
Trading receivables	62,138,002	-	62,138,002	1,907,784	60,230,218
	<u>653,751,279</u>	<u>-</u>	<u>653,751,279</u>	<u>593,521,061</u>	<u>60,230,218</u>
<i>Liabilities</i>					
Financial liabilities at fair value through profit or loss	555,896,559	-	555,896,559	555,896,559	-
Trading payables	37,624,502	-	37,624,502	37,624,502	-
	<u>593,521,061</u>	<u>-</u>	<u>593,521,061</u>	<u>593,521,061</u>	<u>-</u>

	31 December 2020				
	Gross Amounts Recognized	Gross Amounts Offset in the Statement of financial position	Net Amount presented in the Statement of financial position	Further offsetting, master netting agreements	Net Amount
	\$	\$	\$	\$	\$
<i>Assets</i>					
Financial assets at fair value through profit or loss	656,431,943	-	656,431,943	656,431,943	-
Trading receivables	120,271,310	-	120,271,310	25,786,765	94,484,545
	<u>776,703,253</u>	<u>-</u>	<u>776,703,253</u>	<u>682,218,708</u>	<u>94,484,545</u>
<i>Liabilities</i>					
Financial liabilities at fair value through profit or loss	634,393,241	-	634,393,241	634,393,241	-
Trading payables	47,825,467	-	47,825,467	47,825,467	-
	<u>682,218,708</u>	<u>-</u>	<u>682,218,708</u>	<u>682,218,708</u>	<u>-</u>

In relation to trading assets and liabilities and trading receivables and payables, the Company does not meet the offsetting criteria since it does not have the legal right to offset amounts in the normal course of business and it does not meet the intention criterion as required. No offsetting is therefore applied to trading assets and liabilities or trading receivables and payables in the balance sheet. Further offsetting, master netting agreements represent the amounts the Company is allowed to offset according to enforceable master netting agreements and collateral provided under those agreements.

The amounts in the balance sheet relating to the positions in derivatives are not indicative with regard to the economic risk corresponding to the relevant long and short positions. The economic risk is managed through options contracts and other financial instruments, like futures.

10. Other receivables

	31 December 2021	31 December 2020
	\$	\$
Other trading receivable	-	34,000
Receivable from group undertaking	2,130,301	1,868,265
Prepayments and accrued income	202,790	108,710
	<u>2,333,091</u>	<u>2,010,975</u>

11. Other payables

	31 December 2021	31 December 2020
	\$	\$
Payable to group undertakings	1,461,910	968,895
Payable to parent undertaking	55,315	88,076
Accruals	737,006	552,223
	<u>2,254,231</u>	<u>1,609,194</u>

12. Share capital and share premium

During the year ended 31 December 2021, the Company issued \$1,000,000 in share capital (1,000,000 ordinary shares at \$1 each) with share premium of \$13,000,000 to the Parent. At 31 December 2021, the Company had 13,000,000 shares outstanding (12,000,000 shares outstanding at 31 December 2020).

Authorized issued and fully paid

	31 December 2021	31 December 2020
	\$	\$
Ordinary shares at \$1 each	13,000,000	12,000,000
Share premium	116,000,000	103,000,000

13. Personnel expenses

Personnel expenses that the Company expects to pay for work carried out during the year are assessed by an affiliate and expensed under 'intercompany expense' (note 14), with the exception of equity-settled share

based payment arrangements with employees as compensation for the provision of services, which are expensed under 'administrative expenses'. Expenses are recognized when the employee starts to render service to which the award relates. Failure to meet a vesting condition by the employee is not treated as a cancellation, and the amount of the expense recognized for the award is adjusted to reflect the number of awards expected to vest.

The company does not contractually employ individuals with shares in this plan but is considered the material employer. As such, the Company recognized \$379,545 for the year ended December 31, 2021 and \$71,831 for the year ended December 31, 2020, related to the granted shares.

14. Related party transactions

During the course of the year the Company entered into transactions with related parties. Transactions with related parties are settled on an arm's-length basis and recognized in the financial statements under the same accounting policy as for similar transactions with unrelated parties.

The Company has a services agreement with the Parent in which the Parent provides head offices services related to administrative work provided to assist, support and coordinate business relations between and among itself, its subsidiaries and the Company. The Company has also entered into agreements with a number of affiliates in the Optiver group of entities. These agreements relate to charges for services related to the business and paid by or paid to the Optiver group entities. The expenses related to these agreements are included in intercompany expense in the statement of profit or loss and other comprehensive income.

	2021	2020
	\$	\$
Parent	318,550	138,795
Affiliates	30,961,792	35,244,700
Total	31,280,342	35,383,495

All employees who work on behalf of the Company are employed by Optiver UK Limited. Key management personnel is not employed by the Company. The directors' received \$182,091 in compensation for the year ended 31 December 2021 and \$400,135 for the year ended 31 December 2020 for their services. Directors' aggregate remuneration in respect of qualifying services while appointed as director include \$60,697 paid in respect of the highest paid director for the year ended 31 December 2021 and \$178,097 paid in respect of the highest paid director for the year ended 31 December 2020.

15. Risk management

The Company operates through a comprehensive risk governance framework. Risk management responsibilities lie within all levels of the Company. These responsibilities are assigned so that risk decisions are taken at the relevant levels. The Company's internal risk governance model ensures that risk is managed in line with the risk appetite as defined by the Management Board and is cascaded throughout the organization. This model provides a clear allocation of responsibilities for the ownership and management of risk to avoid overlaps and/or gaps in risk governance.

In the normal course of business, the Company is subject to various risks, including, but not limited to, market risk, currency risk, interest rate risk, other price risk, credit risk, and liquidity risk. This note presents information about the Company's exposure to each of these risks, as well as its policies and processes for measuring and managing risk, and the Company's management of capital.

Market Risk

Market risk is the risk of adverse changes in the Company's portfolio values as a consequence of moves in market factors, such as underlying prices, implied volatilities, interest rates, foreign exchange, and time. The sensitivities to these market factors are often referred to as the Greeks.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The Company is exposed to several different types of market risk, these being: sensitivities to market factors, currency risk, interest rate risk and other price risk.

Sensitivities to market factors

The Company houses an inventory of position on the basis of its market-making activities. Besides this, the Company engages in spread trading which has exposure to correlation risks. In order to manage the market risk of the portfolio, an extensive set of limits are continuously monitored and enforced by the risk team. These limits are applied at different levels and new trading activities can only be started once a risk framework has been developed for them. Limits are in place for losses at different stress levels and there are limits for sensitivities to other Greeks. On a continuous basis, the value of the portfolio and the Greeks are recalculated via full revaluation at different stress levels of the underlying values. The Company also regularly performs scenario based stress testing. The Directors were satisfied with the results of the stress testing performed at 31 December 2021 and at prior year end, which showed adequate capital and liquidity to sustain the resulting loss of the stressed scenarios.

In addition to the internal risk framework, the Company uses clearing party haircut calculations as a control mechanism for the internal daily calculations.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk arising from trading positions denominated in any currency other than the functional currency of the trading unit holding those positions. To manage this risk, transactions in currencies other than the functional currency are hedged by trading foreign exchange spot, forward and swaps.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as it borrows funds at floating interest rates.

The Company manages interest rate risk through daily finance reporting of the exposures to changes in the different interest target rate.

Other price risk

For the Company's option positions, the implied volatility of the underlying contract is an additional risk factor.

When it comes to spread trading strategies the Company aims to take market-neutral positions. This means that the accumulated positions have minimal sensitivity to general market movements.

The risk is managed by strict controls and limits relating to exposures, concentrations, pricing and valuation parameters and natural hedging between these long and short positions.

For the Company, exposure limits are defined in terms of net individual and aggregate position sizes and based on characteristics such as yield curve exposure and exposure with respect to option risk parameters, such as the exposure to price changes and the exposure to changes in the implied volatility.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk arises from positions in cash and cash equivalents and receivables from clearing organizations as well as from other derivatives exposures. Credit risk that could result from counterparties defaulting is limited where the Company's trading operation is on regulated exchanges, since the settlement risk is essentially transferred to recognized clearing members. Further, the credit risk of exchange-traded and certain OTC derivatives, such as exchange traded futures and centrally cleared OTC derivative instruments, is reduced by the regulatory requirements of certain exchanges and clearing houses, such as daily margining.

The Company seeks to reduce its exposure to credit risk associated with counterparty non-performance on OTC derivative transactions by entering into master netting and collateral arrangements with counterparties. The master netting agreements provide the Company with the right to liquidate collateral and offset receivables and payables covered under the same master netting agreement in the event of default. Additionally, the Company seeks to manage credit risk by monitoring exposures to and reviewing creditworthiness of its counterparties.

The Company operates under its Group credit policy. Limits have been defined with respect to the total credit exposure with counterparties and the balance held at clearing organizations, banks, and other counterparties is monitored on a daily basis. The following table provides an overview of the balances as of 31 December 2021 and 31 December 2020.

	31 December 2021	31 December 2020
	\$	\$
Balance at clearing brokers	63,182,120	97,967,731
Encumbered short term government paper	11,996,680	-
Clearing broker requirement	56,858,636	64,615,628
Excess	18,320,164	33,352,103
Available cash at banks	17,260,977	17,344,621
Short term government paper	30,986,648	-
Total	66,567,789	50,696,724

The cash is mainly required to cover short term liabilities and are not segregated and deposited for regulatory purposes or to meet margin requirements at the clearing organizations.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's cash position as well as the remaining availability in credit lines with clearing organizations is monitored on a daily basis. The Company maintains a significant level of trading cash at all times, generally invested in highly rated government paper or placed in current accounts with same day availability at banks with high ratings. The cash and short term government paper are available to cover short term liabilities and are not segregated or deposited for regulatory purposes or to meet margin requirements at the clearing houses.

The following table details the Company's expected non-discounted cash flows for its financial liabilities broken down according to earliest possible contractual maturity. The financial liabilities at fair value through profit or loss are included in the on demand column. A maturity analysis on these positions is not relevant for an understanding of the timing of cash flows related to these products, as the intention is not to hold these positions to settlement at contractual maturity.

31 December 2021					
	Carrying Amount	On demand	Less than 1 month	1-3 months	3 months to 1 year
	\$	\$	\$	\$	\$
Financial liabilities at fair value through profit or loss	555,896,559	555,896,559	-	-	-
Trading payables	37,624,502	-	37,624,502	-	-
Other payables	2,254,231	-	1,905,021	201,491	147,719
	595,775,292	555,896,559	39,529,523	201,491	147,719

31 December 2020					
	Carrying Amount	On demand	Less than 1 month	1-3 months	3 months to 1 year
	\$	\$	\$	\$	\$
Financial liabilities at fair value through profit or loss	634,393,241	634,393,241	-	-	-
Trading payables	47,825,467	-	47,825,467	-	-
Other payables	1,609,194	-	1,341,305	-	267,889
	683,827,902	634,393,241	49,166,772	-	267,889

Concentration Risk

Concentration risk can be defined as any (direct and/or indirect) exposure or group of exposures with the potential to produce losses large enough to threaten the Company's health or its ability to maintain its core business.

The Company is dependent on two clearing organizations for most of its trading activities. As such, concentration risk arises, which can materialize in the event of two main circumstances: (i) bankruptcy of the clearing organizations or (ii) a discontinuance of the clearing organizations' relationship with the Company. In the event of bankruptcy, it can be assumed that its clearing activities in particular will be maintained or taken over by another bank due to the large number of customers (trading companies) and the severe impact this would have on liquidity in the financial markets, if these customers were to abruptly cease trading.

16. Capital management (unaudited)

The Company is regulated by the FCA and as such must continuously maintain a capital base appropriate to support the development of the business and ensure regulatory capital requirements, determined in accordance with the EU's capital Requirements Regulation (CRR) and supplemented by FCA IFPRU, are met at all times. The Company complies with the capital requirements based on CRR and IFPRU. Total capital at 31 December 2021 was \$120,312,983 and at 31 December 2020 was \$111,431,014.

17. Events after reporting date

The Company has performed an evaluation of subsequent events through 26 April 2022, the date the financial statements were issued and determined that there were no recognized or unrecognized subsequent events that would require an adjustment or additional disclosures in the financial statements as of December 31, 2021.